

- SUBJECT:** Adding equipment to TxDOT's county road assistance program
- COMMITTEE:** Transportation — favorable, without amendment
- VOTE:** 6 ayes — Krusee, Phillips, Callegari, Casteel, Hamric, Hill
0 nays
3 absent — Deshotel, Flores, West
- WITNESSES:** For — None
Against — None
On — Bob Jackson, Amadeo Saenz, Texas Department of Transportation
- BACKGROUND:** In 1997, the 75th Legislature approved SB 370 by Armbrister, the Texas Department of Transportation (TxDOT) Sunset bill. It added Transportation Code, sec. 201.706, which requires TxDOT to assist counties with materials to repair and maintain county roads. The minimum amount of assistance was set at \$12 million for fiscal 1998 and 1999, and \$6 million thereafter. By department rule, TxDOT distributes the materials based on an allocation formula that takes into account the amount of wear county roads might experience.
- TxDOT also assists counties by selling them surplus equipment through the Texas Building and Procurement Commission (TBPC), for which TBPC collects a purchaser fee. TxDOT sells about \$4.5 million in surplus equipment to counties every fiscal year.
- DIGEST:** HB 2623 would permit TxDOT to assist counties with both equipment and materials for road building and maintenance. TxDOT could not purchase materials and equipment directly for counties except through a joint procurement process established by TBPC. The surplus property and salvage provisions of the Government Code, ch. 2175 would not apply to county assistance.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS
SAY:**

HB 2623 would add flexibility in the type of assistance counties could receive from TxDOT for road building and maintenance. Materials are a significant part of most projects, but counties also often lack the equipment needed to complete projects. Buying surplus equipment from TxDOT is expensive and must be paid for entirely with local funds. The bill would lower that financial hurdle by permitting counties to receive equipment through the assistance program. The loss to general revenue mentioned in the fiscal note would be from the loss of surplus equipment sales revenue by TxDOT.

There is little need for a limit on the amount of equipment that could be given to counties through the assistance program. Motor graders, loaders, backhoes, and other common pieces of equipment range from only \$8,000 to \$20,000 each. It is unlikely that such items would account for a significant portion of the program's budget.

**OPPONENTS
SAY:**

HB 2623 proposes an expensive way to assist counties. It would cost the state an estimated \$9 million per year due to the loss of surplus equipment sales revenue.

**OTHER
OPPONENTS
SAY:**

The bill should incorporate language from the committee substitute to the Senate companion that would limit the amount of assistance to be spent on equipment to \$200,000 per year. This would ensure that one county's purchase of a very expensive piece of equipment would not consume the entire budget for county assistance.

NOTES:

The fiscal note assumes a \$9 million cost to the state in general revenue-related funds for fiscal 2006-07.

The companion bill, SB 1089 by Madla, was reported favorably, as substituted, by the Senate Transportation and Homeland Security Committee on April 25.